

ARTHUR ANDERSEN LLP

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Honorable Mayor, Members of the City Commission and City Manager,
City of Fort Lauderdale, Florida:

We have audited the accompanying general-purpose financial statements of the City of Fort Lauderdale, Florida (the "City"), as of and for the year ended September 30, 1997, as listed in the Table of Contents. These general-purpose financial statements and the supplementary financial statements and schedules referred to below are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements and the supplementary financial statements and schedules based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* (1994 Revision), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of September 30, 1997, and the results of its operations and the cash flows of its proprietary fund types and non-expendable trust funds for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 3 to the general-purpose financial statements, the City changed its method of accounting for investments.

In accordance with *Government Auditing Standards* (1994 Revision), we have also issued our report dated January 16, 1998, on our consideration of the City's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The supplemental combining, individual fund and account group financial statements and schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general-purpose financial statements taken as a whole.

Arthur Andersen LLP

Fort Lauderdale, Florida,
January 16, 1998.